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EVALUATION OF TECHNICAL CO-OPERATION ACTIVITIES RELATING TO THE GENERALIZED SYSTEM OF PREFERENCES AND OTHER TRADE LAWS

Report by the UNCTAD secretariat

GE.91-50208/2943B

INTRODUCTION AND SUMMARY

1. The present report has been prepared pursuant to decision 9 (XVI) of the Special Committee on Preferences. In that decision, the Special Committee decided that, in order to improve further the quality of the technical activities in the area of the GSP, the secretariat should undertake an evaluation of the effectiveness of such activities and report to the Special Committee at its eighteenth session.

2. The report has been prepared by the Programme Co-ordination and Evaluation Unit, under its own responsibility, in co-operation with the GSP Unit of the International Trade Programmes and in consultation with the Joint Technical Co-operation Unit. The evaluation focuses essentially on the technical co-operation activities relating to the GSP and other trade laws undertaken during the period 1985-1990. It is based on an analysis of project documents; the report of a UNDP-led evaluation of the African regional project completed in 1990; the various project performance evaluation reports and the reports of the various tripartite reviews; the numerous reports on the regional and national activities held during the period; the statements by both preference-giving and preference-receiving countries on such activities made at different sessions of the Special Committee; and attendance at a number of seminars. It also draws on the results of a UNDP-led thematic evaluation of activities covering the period 1972-1984 (completed in 1986) and thus provides a certain continuity from the earlier period until 1990.

Major findings and conclusions for the period 1985-1990

3. The major findings and conclusions are:

(i) There is wide and general agreement among preference-giving and preference-receiving countries regarding the practical value and necessity of the programme of technical co-operation activities relating to the GSP and other trade laws as an important means to help the latter make more effective use of the GSP and increase and diversify their non-traditional exports;

(ii) The total resources for the programme over the six-year period amounted to almost $4.5m (as compared with $4.25m over the 1972-1984 period); the contributions both in cash and in kind provided to the programme by preference-giving countries, a clear indication of the programme's popularity among them, accounted for 59 per cent of the total (up from 35 per cent of the total during the period 1972-1984), those provided by preference-receiving countries accounted for nearly 2 per cent, the remaining 39 per cent being provided by UNDP;

(iii) The substantial bilateral contributions, together with UNDP inputs, enabled a high rate of programme delivery to be achieved during the 1985-1990 period: 25 regional seminars for a total of 568 participants, 86 national seminars or workshops for a total of 5,847 participants, and 28 advisory missions, as well as a large number of information aids;

(iv) The interaction of the programme's technical co-operation activities with the research activities of the secretariat has produced a positive feedback to both types of activities;

(v) Several more advanced developing countries have achieved self-reliance in the field;

(vi) A national project for Indonesia relating to the GSP has been acknowledged to be cost-effective; further, several African countries have decided to implement their own national projects (Nigeria, Zimbabwe) or to undertake national activities in the context of a World Bank project (Guinea);

(vii) The programme's activities have contributed to the improvement of knowledge, skills and institutional capacity for the effective use and administration of the GSP; while it is difficult to establish a direct or causal link between such improvements and increased GSP exports, experts from preference-giving countries have acknowledged that there is evidence of the programme's activities leading to increased GSP exports; further, the overall utilization of the three major GSP schemes (EEC, Japan, United States) by the Asia and Pacific region, which has benefited, in addition to the activities of the interregional project, from a regional project dating back to 1979, has been higher than that of the other two developing regions;

(viii) A number of shortcomings have been observed, including insufficient adaptation of the activities of the programme to the particular requirements and situation of the countries of the African region; uneven progress achieved in the strengthening of GSP national focal points; inadequate specification of quantifiable progress or achievement indicators in some of the project documents; reduced effectiveness of particular events or activities due to different factors; insufficient development of "second or third generation" activities which are better adapted to the evolving and various needs of different categories of preference-receiving countries; and limited success achieved with regard to technical co-operation among developing countries.

Recommendations

4. The major recommendations include:

(i) Maintaining the specificity of the GSP focus, together with the consideration of other trade laws and regulations affecting GSP exports, as well as any other market access issues, and the addition to the course material, according to the needs of target audiences, of other appropriate "modules" dealing with inter alia the identification of non-traditional product lines relative to the coverage of the GSP in which investments may be profitable and the industrial options to be considered (in co-operation with UNIDO); the formulation of policy for trade development and export promotion, including the development of appropriate export services (in co-operation with ITC); the comparative rates of preferences for particular product lines under different preferential arrangements; the strengthening of national institutional capacity for the collection and dissemination of information on the GSP and the training of officials; and the possibilities of using GSP cumulation on a regional or subregional basis (para. 50);

(ii) Early establishment of a computerized consolidated information system on the GSP; with the help of appropriate equipment, computer-aided video presentations and projections of, for example, the features of particular schemes or of comparative preferential margins for particular products may be made, and computer printouts of such information distributed to participants at seminars and workshops (para. 57);

(iii) Concentration on national-level activities (national seminars or workshops and advisory missions) which can be tailor-made to the particular needs of individual countries, and the adoption of various measures in order to enhance the quality of such activities (paras. 59 and 60);

(iv) Convening of interregional seminars to consider major policy issues, as and when necessary, immediately prior to sessions of the Special Committee (para. 61);

(v) Organization of subregional seminars for particular groupings of developing countries (integration groupings, clusters of least developed countries, etc.) rather than regional seminars, as may be needed to complement national-level activities, in order to allow GSP administrators to exchange information on their experiences, address major issues of common concern, etc. (para. 62);

(vi) Organization of appropriate advisory missions and the training of trainers for the strengthening of national focal points and their supporting infrastructure (para. 65);

(vii) Inclusion of a "problems column" in the GSP Newsletter published by the Asian regional project; extending the publication of such newsletters to the other regions (paras. 66 and 67);

(viii) Establishment of a roster of GSP experts from the more advanced developing countries and a list of developing countries which offer on-the-job training for GSP administrators in order to facilitate technical co-operation among developing countries (para. 71);

(ix) Provision of assistance to developing countries and preference-receiving countries in Eastern Europe for the development of their co-operation in terms of the utilization of the global cumulation rules of the GSP (para. 72);

(x) Establishment of co-operation with UNIDO and ITC in the development and delivery of appropriate modules for GSP seminars or workshops; recommendation to the effect that ITC provide information on the GSP as a regular part of its export promotion activities at the country level (para. 73);

(xi) Securing of adequate funding for the further development and delivery of the programme for the period 1992-1994, estimated at $750,000 per year if the present level of programme delivery is to be maintained (paras. 74-78).

I. PROGRAMME OBJECTIVES AND DESIGN

A. Programme rationale

5. The programme has been designed to help developing countries make better use of the GSP in order to expand and diversify their non-traditional exports in the context of their export-oriented strategies. To the extent that it provides appropriate feedback for this purpose to preference-giving countries, it can contribute to improving the GSP itself in terms, for example, of reducing its complexities. The rationale for the programme remains valid to the extent that there is scope for many developing countries to make better use of the opportunities provided by the GSP, as well as for further improvement of the GSP, in order to realize its full potential value. In this connection, the Special Committee on Preferences, at its seventeenth session, after having conducted a comprehensive review of the GSP, reaffirmed its commitment to the GSP and stressed its importance as an instrument for the expansion of multilateral trade in the 1990s. At the same time, it recognized that the objectives of the GSP have not been fully achieved.

6. Despite various improvements made since the GSP schemes were introduced, including the introduction of the Harmonized Commodity Description and Coding System (HS) and some limited liberalization of the rules of origin, the complexities of the GSP schemes continue to pose an important problem for the effective utilization of the schemes, as do the frequent changes which are made thereto and to other trade laws and regulations which affect GSP exports. Thus the programme remains necessary, although the thrust and mix of its various components will need to be adjusted, taking into account particularly the future development and establishment of a computerized consolidated information system on the GSP, the evolving needs of different categories of developing countries, and the shift in emphasis, in the next programming cycle of UNDP, to programme and sectoral level support by agencies (policy advice, sectoral analyses, information flows, etc.) rather than project execution, particularly at the national level. These issues will be discussed in greater detail below.

B. Programme objectives

7. The development objectives of the programme, as reflected in the various project documents, are to promote the expansion and diversification of the exports of developing countries through optimum use of the GSP and increased understanding of other trade laws and regulations which affect their exports.

8. The immediate objectives of the programme are:

- to create awareness of the potential benefits of the GSP, to meet information requirements, and to provide advice regarding the operation of GSP schemes, the regular changes made thereto and other trade laws and regulations affecting the use of the GSP schemes, including anti-dumping and countervailing duties, health and sanitary regulations, import-licensing procedures, etc.;

- to help improve the knowledge and skills of developing countries for the effective use and administration of the GSP, as well as their institutional capacity for this purpose, including the establishment

of national focal points and appropriate national supporting networks, national information and data base (in order to maintain, update and disseminate information and knowledge regarding GSP matters) and a capacity for the training of local officials, with a view to the achievement of national self-reliance in this field;

- To promote technical co-operation among developing countries through the exchange of experts at seminars, the provision of on-the-job training for GSP administrators, etc.

C. Programme design and activities

9. The programme has consisted of:

- A Geneva-based interregional project (INT/84/A01), serving as the central focal point of the programme, whose functions are to maintain a central file of GSP data for both research and technical co-operation activities, to publish and update the various information aids in support of the activities of the programme, to raise funds for the financing of the programme's activities, to organize interregional, regional and, where necessary, national activities, and to co-ordinate and backstop the other activities of the programme, including the provision of experts, documentation, GSP and trade data, etc.;

- Regional projects (RAS/84/023 and RAS/89/028 for Asia and the Pacific, currently located in Kuala Lumpur, Malaysia; RAF/86/057 for Africa, currently located in Harare, Zimbabwe) whose functions are to organize and backstop national activities within their respective regions.

10. The interregional project has assumed the responsibilities for the organization and backstopping of national activities in the Latin American region since the termination of the Latin American project (RLA/88/019) in 1990 due to lack of funding, and also for the Arab region in the absence of a project for that region.

11. In addition, a national project in Asia has been in operation in Indonesia since 1986 (INS/86/007), and a number of national projects are planned in Africa (Guinea, Nigeria and Zimbabwe).

12. The technical co-operation instruments have included interregional and regional seminars (although no interregional seminars were held during the 1985-1990 period), national seminars or workshops, advisory missions and information aids. Seminar activities focus on the creation of awareness and the meeting of information requirements concerning the product coverage, depth of tariff cuts, safeguard measures and rules of origin of the GSP schemes, with reference to any recent changes, as well as concerning other trade laws and regulations of the relevant preference-giving countries which affect the GSP exports of the preference-receiving countries concerned. They also contribute to the improvement of knowledge and skills in this area. The course content depends on the particular needs of the target audiences. Thus a seminar aimed primarily at awareness creation and the training of GSP administrators will generally cover the basic principles and elements of the GSP and all the 16 GSP schemes, as well as other trade laws and regulations

which affect the GSP exports of the preference-receiving countries. On the other hand, a seminar which concentrates on some particular products, e.g. handicrafts, for GSP administrators of a particular group of countries, e.g. least developed countries, can be much more focused on the particular GSP schemes and other trade laws which are relevant to the products and to the countries concerned. Workshops, on the other hand, are much more problem-oriented in the sense that they provide for a more in-depth consideration of particular problems and their solutions relating to the GSP coverage of particular products under different individual schemes, including problems relating to the use of cumulation rules.

13. Advisory missions, by their very nature, are designed to meet the specific needs of preference-receiving countries, and the topics covered can range from policy matters to the institutional and other requirements of a nationwide capacity to administer the GSP, to collect and disseminate information on the GSP and to train officials.

14. The Asian regional project also includes a study programme, subcontracted to ESCAP, focusing on the trade diversion effects of graduation and the industrial and other policy options to deal with them.

15. The activities are supported by a number of information aids, including a Digest of Schemes, a Digest of Rules of Origin, a series of Handbooks on the 16 individual GSP schemes, another series of Handbooks on the trade laws of the preference-giving countries, and a Handbook on Handicrafts. These are reproduced in English, French and Spanish, and are updated as and when needed in the light of the changes made to the schemes or to the trade laws of the preference-giving countries.

16. In addition, the central focal point provides to training events and to individual preference-giving countries, on request, data on trade flows, GSP MFN tariff rates and non-tariff measures, utilization rates, etc., under individual GSP schemes and for individual preference-receiving countries.

17. The Asian regional project document includes some quantitative targets within a specified time frame, as well as performance or achievement indicators. Some success criteria or indicators are also specified in the African regional project document. The project document for Latin America does not include either quantitative targets or performance indicators. The target audiences in all the project documents are clearly identified, and include both public and private sector officials concerned with trade development and export promotion. The regional specificity of the project document for the Asian and Pacific region is well elaborated, but much less so for the other two regions.

II. PROGRAMME RESOURCES

18. The programme has been financed by: (i) a multidonor central trust fund for general purposes; (ii) bilateral contributions both in cash and in kind for specific purposes; (iii) UNDP resources for regional and national projects; and (iv) a contribution from the UNCTAD regular budget.

19. The volume of resources for the GSP programme over the six-year period amounted to almost $4.5 million (see annex table 1). The highest level reached was in 1989, with a total of $1.3m. The average amount per year was $750,000, as compared with an average of $350,000 during the 1972-1984 period.

20. The central trust fund was established in 1985 to finance the Geneva-based interregional project (INT/84/A01) when UNDP financing thereof was terminated. It has provided the salaries for a GSP expert and a secretary, and the financing for the various activities undertaken by the project, including backstopping activities, other than those sponsored and financed by bilateral donors. When the trust fund was established in 1985, it was hoped that it could count on about $250,000 a year, which would have allowed it to cover all the central support costs, including the overall co-ordination of the GSP programme. However, the contributions to the trust fund only averaged $110,000 per year during the period 1985-1990.

21. By contrast, the bilateral contributions for specific purposes (the holding of seminars and workshops, the provision of associate experts, the publication and updating of handbooks, etc.) have been impressive and have exceeded the contributions to the central trust fund. The cash contributions averaged $207,000 per year during the 1985-1990 period. In 1989, they reached $425,000. The in-kind contributions have consisted essentially of the provision of experts from the preference-giving countries to participate in seminars and workshops, the supply of documentation on specific GSP schemes and the provision of copies of Form A. The average of such contributions has been of the order of $139,000 per year, and they reached $271,000 in 1989. In-kind contributions together with cash contributions thus amounted to almost $700,000 in 1989, which saw the highest ever delivery rate of the programme. Taking the two kinds of contributions together, they averaged $346,000 during the period 1985-1990, as compared with $110,000 for the central trust fund during the same period. The contributions for specific purposes have constituted about 46 per cent (28 per cent in cash, 18 per cent in kind) of the total resources used and those for the central trust fund another 15 per cent. The trust fund contributions by preference-giving and preference-receiving countries are given in annex table 2.

22. UNDP used to be the main source of funding for the GSP programme, providing $2.75m (65 per cent) out of a total of $4.25m during the period 1972-1984, the remaining $1.5m (35 per cent) being provided by contributions in cash and in kind by preference-giving and to a lesser extent also by preference-receiving countries. While UNDP has remained a major source of funding, its share has fallen to 39 per cent of the total of $4.5m during the 1985-1990 period. The other 61 per cent was provided by contributions in cash and in kind by preference-giving countries (59 per cent) and by preference-receiving countries and ITC (2 per cent).

23. Of the three regional projects financed by UNDP during this period, the projects for Asia and the Pacific and for Africa have been extended until the end of 1991, while that for the Latin American and Caribbean region was terminated in 1990. In addition, UNDP has financed a national project on GSP in Indonesia from that country's national IPF, and the financing of two other national projects for Nigeria and Zimbabwe from their national IPFs is under consideration.

24. The contribution from the UNCTAD regular budget has consisted of the provision of the staff time of two regular staff members (a P-5 staff member plus a general-service staff member) for the overall co-ordination of the programme. However, it should be noted that the Co-ordinator of the programme, in addition to managing the interregional project, is also Chief of the GSP Unit and thus responsible also for directing the research work of that Unit. He is thus well placed to promote the interaction of the research and operational activities in the area of the GSP.

III. PROGRAMME IMPLEMENTATION

25. The activities of the programme during the period 1985-1990 included 25 regional seminars, almost equally distributed among the regions of Africa, Asia and the Pacific and Latin Ameria and the Caribbean; 84 national seminars or workshops in 59 countries in these regions, plus 2 national seminars in Europe. A total of 6,415 people participated in the seminars and workshops. Thus national seminars or workshops constituted by far the most important part of the programme's events (77 per cent of the total). In addition, 28 advisory missions were undertaken. The distribution of activities by region is indicated in annex table 3.

26. Excluding contributions from the central trust fund and the bilateral contributions for the salaries of associate experts, the total cost of activities undertaken amounted to nearly $3.346m, distributed among the regions as follows: Africa - $963,146; Asia and the Pacific - $1,672,041; Latin America and the Caribbean - $614,664; and Europe - $96,539.

27. In order to obtain an order of magnitude, it may be noted that the cost of the regional seminars in terms of the bilateral contributions allocated for such purposes amounted to $1,149,400, giving an average cost per seminar of about $46,000 and an average cost per participant of about $2,000, for a total of 568 participants.

28. Likewise, the cost of the national seminars in terms of the bilateral contributions allocated for such purposes and the relevant UNDP inputs amounted to $2,124,000, giving an average per seminar of about $24,700 and average cost per participant of about $360, for a total of 5,847 participants.

29. By way of comparison, an earlier evaluation indicated that the activities of the interregional project (INT/77/002) for the 1972-1984 period included 4 interregional and 23 regional seminars for a total of 630 participants, 20 national seminars for a total of 2,000 participants and 129 advisory missions to over 50 countries. The same evaluation indicated that the activities of the Asian regional project (RAS/78/037, the forerunner to RAS/84/023 and RAS/89/028) covering the period 1979-1984 included two regional seminars and 10 advisory missions.

IV. OVERALL ASSESSMENT

A. Summary of the principal findings and recommendations of the thematic evaluation covering the period 1972-1984

30. The thematic evaluation concluded that the programme made an important contribution to the dissemination of information about the GSP to the preference-receiving countries.

31. As regards the various instruments used, the evaluation concluded that seminars had been useful in terms of the widespread dissemination of general start-up information on the GSP but not effective for the dissemination of technical details concerning the rules and regulations governing GSP trade; advisory missions had focused on the organization and delivery of national seminars rather than on the establishment of effective focal points; while the GSP documentation transmitted to the focal points had been very beneficial, improvements would be needed in order to provide the preference-receiving countries with up-to-date information on changes in the GSP schemes and on their utilization rates; some preference-receiving countries had obtained up-to-date information from other sources, including embassies, etc.; and the failure by Governments to nominate the right participants or to nominate them in time, together with the failure by the programme to choose participants with common problems, had affected the quality of the seminars.

32. The evaluation concluded that the programme would have had greater impact if it had placed greater emphasis on (i) the creation of institutional capacity through the establishment of effective focal points, particularly in the middle- and lower-income preference-receiving countries, and (ii) broader trade policies, other preferential arrangements and other trade laws and regulations affecting GSP exports. The evaluation noted that the goal of self-reliance was far from being achieved and that most preference-receiving countries placed a relatively low priority on activities focused specifically on GSP matters. One developing country had indicated that it no longer needed assistance.

33. The evaluation noted that the resources available to the programme were inadequate relative to the overall objectives or to the full range of activities needed in the later stages. Consequently, the programme became dependent upon complementary resources provided by preference-giving countries, preference-receiving countries and other international organizations. Further, problems connected with the co-ordination of these resources occasionally undermined the effectiveness of the programme. Moreover, the programme had to depend heavily on ad hoc experts provided by preference-giving countries whose expertise was confined to their own schemes.

34. The evaluation concluded that, while no cost-benefit analysis could be made, the programme did make observable contributions towards the expansion of GSP exports of developing countries.

35. The evaluation recommended that:

- A broader trade policy programme should be formulated and that the United Nations development system should help to reinforce government capacities to formulate and implement trade policy; the programme should set explicit and achievable goals within the programme's time frame;

- Consideration be given to a "staged" approach to programme delivery, concentrating in the first instance on those countries which were most able to benefit from the GSP and then progressively moving on to other clusters of countries;

- The programme should address the issue of institution-building with the objective of creating self-reliance in the field of the GSP and trade policy matters; extend its coverage to include other factors affecting GSP exports, including export promotion and broad trade policy issues, as well as domestic policies; differentiate its activities according to the stages of development and sectors of export interest of the preference-receiving countries; and address the problem of turnover of GSP administrators;

- Adequate resources should be provided to achieve the objectives of the programme; the size of the programme personnel, costs of outputs and other factors should be periodically reviewed with reference to the level of funding;

- UNDP/UNCTAD should seek additional resources, including ad hoc experts, etc., to complement the resources of the programme;

- Full-time experts should be provided to ensure continuity, complemented by ad hoc experts with in-depth knowledge of particular GSP schemes;

- The activities should concentrate on improving the effectiveness of focal points, including the provision of assistance for the maintenance of a national GSP data base;

- Seminar participants should be limited to those officials with the required background knowledge, technical qualifications and areas of responsibility relating to the issues being dealt with;

- The programme should be subject to regular monitoring and evaluation, and the evaluation results should be reported to Governments and United Nations agencies concerned.

B. Assessment covering the period 1985-1990

36. An assessment of the activities of the programme covering the period 1985-1990 points to a considerable number of positive features and achievements. These are summarized below:

(a) There is wide and general agreement among preference-giving and preference-receiving countries regarding the usefulness and necessity of the programme as an important means to help the latter make more effective use of the GSP; in this connection, particular reference has been made to the practical value of the assistance provided to beneficiary countries;

(b) The total resources of the programme ($4.5 million) for the period 1985-1990 exceeded the total resources ($4.25 million) for the period 1972-1984;

(c) The popularity of the programme among donors is reflected in the support provided by them both in cash and in kind, which amounted to 59 per cent of the total resources for the period, the rest being made up of UNDP inputs (39 per cent) and contributions by preference-receiving countries and ITC (2 per cent); since the donors have been exposed to the activities of the programme, through the personal experience of their own experts with such activities, one may conclude that their strong and continued support is a reflection of the high value and confidence which they attach to the programme;

(d) The cash and in-kind contributions provided by preference-receiving countries have also been encouraging; in this connection, particular reference should be made to the important support provided by the host countries for the Asian regional project (Sri Lanka (1979-1980), Philippines (1981-1983), Indonesia (1984-1986) and Malaysia (1987-1991)) and for the African regional project (Zimbabwe (1988-1991)); several Latin American countries have offered to host a regional centre, if established;

(e) The resources mobilized for the programme and the efforts of a committed team led by the Co-ordinator in Geneva, together with the valuable support provided by the regional staff, have resulted in an impressive rate of programme delivery, as reflected in the number and range of activities undertaken, including seminars, workshops, information aids, etc. (see para. 25);

(f) Since 1984, the topics covered by the seminars and workshops have been extended to cover other trade laws and regulations affecting GSP exports; thus an important recommendation of the thematic evaluation has been implemented;

(g) The interaction of the programme's technical co-operation activities with the regular research activities of the secretariat has produced a positive feedback to both types of activites; thus the feedback from the seminars and workshops concerning the incidence of non-tariff measures on GSP exports has led to further consideration of this issue by the Special Committee on Preferences and to the preparation of a study on the topic which is available to the Committee at its current session as a background document; further, the feedback from the activities concerning the poor utilization of the GSP by certain developing countries has led the secretariat to undertake a study of the scope for the utilization of the GSP and other preferential arrangements of 30 selected developing countries, with a view to helping these countries to identify the preferences available and the actual and potential non-traditional product lines where investment may be productive; likewise, there has been a positive feedback from the secretariat's research activities on trade policy issues and on other trade laws and regulations of the preference-giving countries to the technical co-operation activities of the programme;

(h) Several more advanced developing countries in Asia are now well equipped to deal with GSP matters, including those related to country-product exclusions, or with other trade laws and regulations, including anti-dumping and countervailing legislation; however, they continue to be associated with the activities of the study programme of the Asian regional project regarding the trade diversion effects of graduation and possible offsetting measures, including intraregional co-operation in investment, production and trade;

(i) A national project for Indonesia, financed by its national IPF, has been successfully implemented; it is acknowledged by the national authorities to have contributed both to improved utilization of the GSP and to enhanced institutional capacity on a country-wide basis for the administration of the GSP;

(j) The recognition of the importance of the GSP engendered by the programme's activities has also led to the decision by several African countries to implement their own national projects, with financing from their national IPFs (Nigeria, Zimbabwe), or to undertake national activities in the context of a World Bank project (Guinea);

(k) The various instruments used - seminars, workshops, advisory missions, information aids - have played an important role in disseminating information about the operational details of the GSP schemes, the frequent revisions made thereto and other trade laws and regulations affecting GSP exports; they have also contributed to the improvement of knowledge, skills and institutional capacity for the effective use and administration of GSP schemes; the seminars, by associating experts from the preference-giving countries, have also served to provide useful feedback to these countries; the national seminars have also provided a useful forum for the embassy officials of preference-giving countries who participate in these seminars as resource persons with respect to their countries' GSP schemes to meet with the local business community;

(l) The dissemination process in the Asia and Pacific region has been enhanced by the regular publication of a GSP Newsletter by the regional project; this commendable initiative has now been followed by the regular publication of a GSP national newsletter by the Indonesian project;

(m) The steps taken to establish a computerized consolidated information system would add an important instrument that should enhance both the quality and effectiveness of the programme;

(n) The steps taken or envisaged, particularly in the context of the Asian regional project, to organize product- or market-specific activities concentrating on some major sectors or schemes, and on intensive discussion of practical problems related thereto; to match types of activities more closely to the evolving needs of different categories of developing countries; to request written contributions from seminar participants as part of the exchanges of studies and experiences; to improve interactions with the private sector, including the use of advisory missions for that purpose, to pay particular attention to problems faced by entrepreneurs, particularly from small and medium-sized enterprises; to improve the presentation of lectures, including the use of visual aids, to enhance TCDC, to improve information and data bases, including the use of computer technology for this purpose; to pay particular attention to the strengthening of institutional capacity, where necessary; to provide for follow-up procedures in order to monitor actions resulting from previous activities; to institute evaluation procedures, including end-of-seminar evaluations by participants; to examine possibilities of GSP utilization on a subregional basis, e.g. for ASEAN, are all initiatives in the right direction and should be encouraged.

37. On the other hand, the analysis also indicates a number of shortcomings and these are particularly highlighted in the report of the evaluation of the African regional project. These are summarized below:

(a) Insufficient adaptation of the activities of the programme to the particular requirements and characteristics of the countries of the African region, including the export products of most African countries which are concentrated on raw materials rather than on manufactures or semi-manufactures, the existence of other preferential arrangements available to them, including the more favourable preferences under the Lomé Convention and subregional arrangements such as the PTA, etc.;

(b) Lack of a selective or of a "staged" approach in the selection of countries for participation in the seminar activities of the programme; such an approach would help to group countries which share common problems and needs or which are at a comparable level of development and thus to facilitate a more effective programme delivery for those countries; the "staged" approach would also imply moving on progressively from one cluster of countries to another, starting with those which are relatively more advanced and therefore better equipped to benefit from GSP opportunities; however, a qualification needs to be added here, and that is that the clustering approach, based on a comparable level of development, may be in conflict with a clustering approach based on common problems or needs or a clustering approach based on belonging to a subregional or language grouping, not to mention the political problems that any clustering approach, with implied exclusions, may create;

(c) Inadequate specification of quantifiable progress or achievement indicators in some of the project documents;

(d) Reduced effectiveness of certain events or activities due to a low level of participation (sometimes due to lack of resources); inappropriate qualifications of the participants; lack of adequate preparation of the participants; late arrival of documentation (which may be the result of a planning or a transport problem); unsatisfactory presentation of course material (poor, boring or too general); lack of follow-up due to inadequate institutional capacity; failure by participants to take action, including the institution of notification procedures in order to administer GSP schemes; or failure by Governments to act on advice or recommendations relating to the establishment of focal points;

(e) While some evolution has taken place, programme development might have received greater attention, particularly as regards the development of "second or third generation" activities which are better adapted to the evolving and various needs of different categories of preference-receiving countries; with some exceptions, the impression gained by reading the seminar reports is one of excessive uniformity of the activities undertaken;

(f) Limited success achieved in the strengthening of effective national focal points for the administration of the GSP in African countries; however, a qualification needs to be added here to the extent that some of the factors involved, including the lack of resources or the lack of interest or of continuity of staff, are beyond the control of the programme;

(g) Limited success achieved with regard to technical co-operation among developing countries.

38. Two general qualifications need to be added in order to place the above-mentioned observations in the proper context.

39. The first concerns the African regional project, to which most of the shortcomings, as indicated above, relate. To start with, for various reasons, there was a one-year delay after the approval of the project before the project became operational. This late start-up has obviously affected programme delivery and the effectiveness of the project. Further, if by comparison the Asian regional project is seen to be much more successful, one should remember that the Asian project has had a longer history, dating back to 1979, and has therefore acquired much more experience and expertise in the field.

40. The second observation concerns the adequacy and stability of the resources available to the programme. The thematic evaluation recognized this problem and recommended that the programme should be provided with adequate resources, including full-time experts, in order to ensure stability and continuity. In the current context, however, the Co-ordinator of the programme, in addition to co-ordinating the organization and backstopping of the activities of the programme, is also actively involved in fund-raising activities for the programme, as well as in directing the research work of the GSP Unit in the secretariat. Under such circumstances, a certain degree of "fire fighting" is, perhaps, inevitable. Nevertheless, it should be recognized that much has in fact been done and achieved, even if some deficiencies, which are also of concern to the regional staff, have been observed. However, there is evidence, as indicated above (see para. 36), that the shortcomings observed are being addressed and that corrective action is being taken.

C. Programme impact

41. An analysis of the impact of the GSP on the export earnings, the process of industrialization and the economic growth of developing countries is outside the scope of this study. It may be noted, however, that the matter has been covered, inter alia, in "A synthesis of the GSP study programme" (UNCTAD/ITP/19) which summarized the reports of a comprehensive study programme initiated in 1985, focusing on the export earnings effects of the GSP and the experiences of individual preference-receiving countries, particularly Brazil, Malaysia, the Republic of Korea and Thailand, as well as in the "Comprehensive review of the GSP" (TD/B/C.5/130) submitted to the Special Committee at its seventeenth session in 1990.

42. As regards the impact of the programme on increased GSP exports, it should be recognized that it is difficult to establish a direct or causal link between the assistance provided or the increased knowledge transferred and the expansion of GSP exports, since the latter is subject to many variables which may or may not be linked to the former. However, experts from the preference-giving countries themselves have acknowledged that there is evidence of seminars or workshops organized by the programme leading to increased GSP exports by the preference-receiving countries concerned.

43. A broad indication of the cost significance of the programme relative to the actual or potential benefits may be of some interest. In this connection, taking the period from 1976, when all the autonomous schemes were in operation, until 1988, the total value of the trade covered by the GSP is estimated to

have increased fivefold from $12 billion to $60 billion. The cost of the programme for the period 1972 to 1988, on the other hand, amounted to around $7 million, giving an average of the order of $410,000 per year. It should be added that preferential imports into the preference-giving countries continue to increase at a higher rate than their imports from all sources or their total imports from the preference-receiving countries. In fact, between 1976 and 1988, the annual average increase of preferential imports has been almost twice as high as that for the other categories of imports.

44. An analysis of the regional variations in GSP utilization rates (i.e. share of the GSP-eligible imports which actually receive preferential treatment) of the major schemes shows that, in 1988, the countries in the Asia and Pacific region covered by the Asian regional project had the highest utilization rate for any region in respect of the United States scheme (48.1 per cent) and of the Japanese scheme (54.1 per cent) and the second highest rate in respect of the EEC scheme (34.9 per cent). By contrast, the Latin American and Caribbean region had the highest rate in respect of the EEC scheme (50.8 per cent), but a much lower rate for the United States scheme (14.1 per cent) and the Japanese scheme (12.8 per cent) despite the proximity, for example, of the American market and despite the increase in their export supply capabilities and the close matching of their capabilities with the product coverage of the GSP. The higher utilization rate of the Asia and Pacific region may be partly explained by the activities of the long-standing Asian regional project, although it is not possible to establish a direct link between them.

45. An analysis of the performance of individual countries in the Asian and Pacific region also shows a dramatic increase of GSP exports by a number of these countries. Thus, Malaysia recorded an increase from M$ 113 million in 1973 to M$ 7,260 million in 1989, and Thailand from $5 million in 1973 to $4.401 million in 1989. Indonesia, which also benefits from a national project that went into operation in 1986 (cost of project: $400,000), has estimated that its utilization of the major schemes of the United States, EEC and Japan has increased by an average of 80 per cent from 1987 to 1988, or from about $800 million of GSP exports in 1987 to almost $1.5 billion in 1988.

46. Whatever may have been the factors behind the higher utilization rates or the rapid increases in GSP exports in the Asia and Pacific region, it would be difficult to discount the contribution which the programme has made, through the dissemination of information and the improvement of knowledge, skills and institutional capacity for the effective administration and utilization of the GSP.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Factors affecting future activities

47. The instruments of the programme (seminars, workshops, advisory missions, study programmes, information aids) and their future orientations will need to take account of, inter alia:

- The current and future needs of developing countries at different stages of development or at different levels of utilization of the GSP;

- The major developments which will have a bearing on the GSP, including, for example, the outcome of the Uruguay Round of Multilateral Trade Negotiations;

- The development and implementation of the computerized consolidated information system on the GSP; and

- Prospects for future funding.

Assessment of needs

48. The needs of developing countries vary according to:

- Their level of development or industrialization: those countries which do not have adequate supply capabilities or have supply capabilities which do not match the coverage of the GSP may need specific help for the identification of new product lines in which investment may be profitable in terms of the utilization of the GSP; these countries and others may need specific help in the formulation of an overall policy for trade development and export promotion, including export management, export incentives and market development; the more advanced developing countries may need particular help on a product- or market-specific basis; others may need specific help for the training of trainers in order to build up a self-sustaining country-wide infrastructure to reach the entrepreneurs, exporters and manufacturers who can benefit from the GSP; still other developing countries may need policy advice and research studies in order to co-operate with other developing countries in order to enhance their production or export complementarities, or to capture the trade diversion effects of country-product exclusions, by taking advantage of regional cumulation rules of specific schemes;

- Whether the countries benefit from other preferential arrangements, including the ACP, GSTP, the Caribbean Basin Initiative, special preferences for Andean Pact countries, etc.;

- Whether they belong to regional or subregional groupings and have policies to extend their utilization of the GSP on a regional or subregional basis by taking advantage of regional cumulation rules.

49. The need for differentiation of the activities according to the various needs of different categories of developing countries has already been emphasized in the reports of the thematic evaluation and the evaluation of the African regional project, and it is worth repeating here. The evolution of the programme in this direction will have to be strengthened.

50. In practical terms, this would imply keeping the specificity of the GSP focus, together with the consideration of other trade laws and regulations affecting GSP exports, as well as any other market access issues, with the addition, as appropriate, of other "modules" to the course material dealing with, inter alia:

- The identification of non-traditional product lines relative to the coverage of the GSP in which investments may be profitable, and the industrial options to be considered (in co-operation with UNIDO);

- The formulation of policy for trade development and export promotion, including the development of appropriate export services (in co-operation with ITC);

- The comparative rates of preferences for particular product lines under differential preferential arrangements;

- The strengthening of national institutional capacity for research, collection and dissemination of information, including the computerization of the national data base, and the training of officials from the national reference and dissemination network, including, as appropriate, private sector personnel;

- The possibilities of using GSP cumulation on a regional or subregional basis (which may also provide an additional stimulus to regional or subregional integration efforts).

Other "modules" may be added as other needs arise and are identified.

51. In the case of national activities, specific issues, e.g. the role of the GSP in the context of structural adjustment, may also be examined, for example in the case of the GSP national project in Guinea which is being implemented as part of a World Bank project on structural adjustment in Guinea.

Major developments and their implications

52. The effects of major developments on the GSP preference margins or the utilization of the GSP will also have to be addressed, as the need arises. These major developments include, inter alia:

- The Uruguay Round of Multilateral Trade Negotiations;

- The establishment of the EEC single market in 1992 or any other bilateral arrangements or regional economic blocs having an important impact on the GSP;

- Major changes made to GSP schemes by preference-giving countries (e.g. the recent proposal made by the EEC Commission to reduce the complexities and to achieve greater transparency and stability of the EEC schemes).

53. While changes made to GSP schemes are normally covered by the programme's activities, it may be useful to review the policy implications of major developments, either at the regional or the subregional level.

Computerized consolidated information system on the GSP

54. In a feasibility study submitted to the Special Committee at its seventeenth session in May 1989 (TD/B/C.5/129), the secretariat indicated the basic features and needs, including data requirements, of the system. The Special Committee welcomed the study and called upon UNDP and countries to consider favourably providing the necessary funding for the project.

55. The proposed system would include:

- Software which would be user friendly and which would allow the user to have access to all the national tariff line descriptions of a country and to search for a specific item for detailed analysis; to have simultaneous access to information on different schemes and to make comparisons among different schemes by product in terms of, inter alia, the most important tariff rates that are applied, the country-product exclusions, the percentage of national tariff lines in a HS line that is covered by a GSP rate or by any non-tariff measures; to classify directly from a single product description on a HS, CCCN or SITC basis and to correlate HS and CCCN tariff lines, and to have access to customs tariff lines, departing from any classification like CCCN, SITC Revisions 1 to 3 and the HS;

- Tariff line descriptions, trade flows (total imports and exports, major suppliers and their shares), tariffs (MFN, GSP, GSP for LDCs and eventually other preferential rates such as Lomé, GSTP, etc.); utilization rates (actual GSP trade as a proportion of total GSP eligible trade) and other information such as rules of origin, special requirements, tariff quotas, fixed duty-free amounts, etc;

- An on-the-line help facility and tutorials materials, including an operations manual, combined with some training in the use of the system, if required.

56. Assuming that the available data will be supplied to UNCTAD by the preference-giving countries and various other international bodies in a machine-readable form to be incorporated in the system, it is estimated that it will cost $125,000 and take 12 work-months to set up the system. At the time of writing, it would seem that the necessary resources for this purpose are likely to be available.

57. The successful design and implementation of a consolidated computerized information system on the GSP would add a major new instrument to the programme and influence the nature and effectiveness of its activities. With the help of appropriate equipment (laptop PC, printer, projector, video equipment, etc.), video presentations and projections of, for example, the features of particular schemes or of comparative preferential margins for particular products may be made, and computer printouts of such information distributed to participants at seminars and workshops. Diskettes may also be provided, for a fee, to GSP administrators and others.

Future funding

58. The mix of future activities will also depend on the pattern of future funding, in particular whether bilateral donations will be provided for general-purpose funds-in-trust or for the financing of specific activities. It has been mentioned earlier that 46 per cent of the resources provided for the period 1985-1990 have been used for the financing of specific activities sponsored by the donors.

B. Types of future activities

National level activities

59. In the light of the forgoing considerations, particular importance in the future should be attached to national-level activities (national seminars or workshops and national advisory missions) which can be tailor-made to the particular needs of individual countries through the inclusion of the appropriate modules (see para. 50). Such national-level activities would constitute the core of the activities of the future programme.

60. In order to enhance the quality of national-level activities, it is recommended that:

(a) Advisory missions may sometimes be combined with national seminars, particularly where the local expertise for the preparation of seminars is relatively weak;

(b) Sufficient and advance publicity should be given to seminars or workshops (in the local press, through chambers of commerce and industry, etc.) in order to attract wide participation from the private sector; schedules of forthcoming events or work plans may be provided to focal points for distribution to local chambers of commerce, etc., in advance of the planned events;

(c) Greater use should be made of visual aids and computer-aided presentations and outputs (after the computerized consolidated information system has been established) in seminars and workshops;

(d) Greater emphasis should be given in the design of seminar or workshop programmes to selective product-specific or scheme-specific consultations or discussions, with the participation of experts from preference-giving countries; if necessary, the duration of seminars or workshops may be extended for this purpose;

(e) The questionnaire drawn up for end-of-seminar assessments by participants should be used much more regularly;

(f) Focal points should be encouraged to ascertain from former private sector participants in seminars and workshops by means of a questionnaire, sent six months or a year after an event, how and to what extent the knowledge acquired has been used and what other help may be needed;

(g) Where appropriate, particular attention should be given to attracting participants from among women entrepreneurs and entrepreneurs from small and medium-sized enterprises;

(h) Adequate feedback concerning the conclusions of seminars and workshops should be provided to the relevant bodies in the preference-giving countries, either by sending the reports of such events or summarizing the results for publication in newsletters for distribution to them;

(i) Every effort should be made, by the choice of appropriate locations, to reach out to those entrepreneurs, manufacturers and exporters who are most able to benefit from the opportunities provided by the GSP;

(j) National trade policy experts, e.g. from national universities, research institutes or planning ministries, may be encouraged to address the topic of the relationship of the GSP to the trade and development issues of the country, including, for example, the role of the GSP in the promotion of industrial competitiveness, in order to promote a better understanding of the evolving role of the GSP from the national perspective; this could be done at the beginning of a seminar and be confined to the GSP administrators;

(k) Where appropriate, participation in seminars and workshops may also be extended to officials from the Industry Ministry or the industry department of the Ministry of Commerce and Industry in order to promote better interaction between trade and industry officials in the administration and utilization of the GSP; on the basis of available evidence, the combined trade and industry ministry structure would seem to be slightly more common in the developing countries than the separate trade and industry ministries structure;

(l) Participation of experts from other developing countries in seminars and workshops, as well as in advisory missions, should be encouraged.

Interregional seminars

61. As stated earlier, no interregional seminars were held during the period 1985-1990. With the limited funds available, it is proper that priority should have been given to other activities. However, some developing countries have suggested that such seminars should be re-activated for the purpose of formulating common proposals for the improvement of the GSP, including the depth of tariff cuts, product coverage, the simplification of rules of origin, etc., as well as examining the policy implications of major developments affecting the GSP such as EEC 1992. While there may be a need for such seminars, which should address major policy issues, the financial cost involved may prove to be a constraint. One possible approach may be to schedule such events, as the need arises, immediately prior to sessions of the Special Committee on Preferences, particularly when major policy issues are going to be taken up by the Special Committee itself. This would have the advantage that the experts from the capitals would also participate in the work of the Special Committee, as well as in any bilateral or plurilateral consultations with preference-giving countries organized in parallel with the Special Committee.

Regional or subregional seminars

62. Regional or subregional seminars may be held as a useful complement to national-level activities. In this regard, preference may be given to subregional seminars, e.g. for integration groupings (e.g. ASEAN, the Andean Group, PTA, etc.), or to seminars for particular groupings sharing common problems and needs (e.g. clusters of least developed and land-locked countries

in Asia or in Africa, island developing countries in the Pacific, etc.) rather than to regional events. Their main purpose should be to provide an occasion for the GSP administrators to exchange information on their experiences, address major policy issues of common concern, find solutions to common problems, and, as appropriate, to examine possibilities for a better utilization of the GSP on a subregional basis. Their frequency should be no more than once a year, unless special circumstances dictate otherwise.

C. Some selected issues

National focal points

63. The GSP national focal points are generally the institutions entrusted with the administration and implementation of the GSP in their respective countries. In most cases, the focal point is located in the Ministry of Commerce or Trade, sometimes supported by the Customs Department or the Chamber of Commerce. In a number of cases, the Customs Department or the Chamber of Commerce serves as the focal point. The focal point can also be part of a larger Trade Development or Export Promotion Board. In the case of a number of smaller developing countries, the focal point is located in the Ministry of Foreign Affairs.

64. In the case of the more advanced or larger developing countries, the national focal point is supported by a network of regional or provincial centres, serving as local certifying authorities or as reference or information centres. The latter may also include local chambers of commerce. The focal point serves as the centre for the collection and dissemination of information on the GSP to local users, and trains officials for administering the GSP, as well as for managing the regional centres.

65. The thematic evaluation and the evaluation of the African regional project have emphasized the need for the programme to contribute to the strengthening of the national focal points and their supporting infrastructure. With the help of appropriate government policies, the programme can also contribute to the promotion of their self-reliance and sustainability. Among such government policies, one can cite the policy of the Government of China which seeks to ensure that each trained official trains 10 other officials. In this regard, the programme will need to give attention, inter alia, to appropriate advisory missions and the training of trainers. The focal points may consider extending the training to include members of the private and academic sectors where their inclusion can contribute to self-reliance and trainer stability.

Dissemination and feedback

66. The Asian regional project has since January 1990 published a GSP Newsletter for the Asian and Pacific region. The GSP Newsletter provides useful information on the activities of the project, related developments including the work of the Special Committee on Preferences, particular GSP schemes and the utilization rates of the region of these schemes, summaries of rules of origin of all the GSP schemes, etc. It also includes a calendar of future events and details of the names and addresses of the officials serving as the national focal points of their respective countries. A newsletter for Indonesia has also been issued by the national GSP project in Indonesia. Both these initiatives need to be commended, and it is hoped that they will be followed by the publication of similar newsletters elsewhere.

67. In order to enhance the value of the GSP Newsletter, the project may wish to include a "Problems column". Such a column could take up in turn some of the problems of general interest that have been raised on several occasions in the seminars, and analyse them in depth for the benefit of the general readership of the newsletter. Examples of such problems include, with reference to the different schemes, the application of the donor content rule; the procedure for requesting the inclusion of additional products and the manner in which such requests are handled; the nature and application of regional cumulation rules; the procedure for requesting reconsideration of country-product exclusions and reinstatement of GSP treatment and the manner in which such requests are handled; graduation policies and the criteria used for determining country-product exclusions; the application of prior allotment, types of quotas and ceilings; the application of the percentage criterion in relation to the value-added requirement, etc.

68. Details of import promotion agencies in the preference-giving countries may also be provided regularly in GSP newsletters.

69. Consideration should also be given to the wider dissemination of the GSP Newsletter to the focal points in the African and Latin American regions.

70. The experts of preference-receiving countries, and former participants in seminars and workshops, should also be encouraged to provide feedback by giving their views on the effectiveness of the events they have attended or by contributing to the "Problems column".

Technical co-operation among developing countries

71. Limited success has been achieved in terms of the exchange of technical expertise among developing countries in the activities of the programme. In order to promote this objective, consideration may be given to drawing up a roster of GSP experts from the more advanced developing countries and a list of developing countries which offer on-the-job training for GSP administrators. Reference to such a roster and list may be made, for example, in GSP newsletters and in the annual report of the secretariat on its technical co-operation activities in relation to the GSP and other trade laws.

Co-operation with countries of Eastern Europe

72. A number of preference-giving countries of Eastern Europe have now become preference-receiving countries as well; Poland and Hungary in terms of the schemes of Australia, Austria, Canada, EEC, Japan, New Zealand and the United States, and Bulgaria and Czechoslovakia in terms of the EEC scheme. This development opens up new prospects for co-operation with developing countries in terms of the utilization of the global cumulation rules of various GSP schemes, and the programme should be ready to render assistance to the countries concerned.

Co-operation with other agencies

73. Reference has been made earlier (see para. 50) to co-operation with UNIDO in the development of a module of course material for examining industrial options, including joint ventures, for investment in non-traditional product lines that may prove to be profitable in terms of the coverage of the GSP, as well as for co-operation with ITC in the development of a module for the

formulation of policy for trade development and export promotion. Such co-operation should also extend to the participation, to the fullest extent possible, of UNIDO and ITC experts in the appropriate national-level activities. Likewise, it would be useful for ITC, with the help of the programme, to provide information on the GSP as a regular part of its export promotion activities at the country level. The Special Committee on Preferences may wish to make appropriate recommendations on these matters.

D. Resources for the future development of the programme

74. It is evident from the foregoing analysis that:

- The programme has proved its worth, and has yielded important benefits;
- There is a continued need for the programme, which will have to be adapted to the evolving and various requirements of different categories of preference-receiving countries;
- This adaptation will need to take into account, inter alia, the process of structural adjustment and economic diversification towards the development of non-traditional product lines which may benefit from the product coverage of the GSP and other preferential schemes; the development of manufacturing capacity and industrial competitiveness through improved use of the GSP; the possibilities of using the GSP on a regional or subregional basis, as well as on a global basis, by taking advantage of the appropriate cumulation rules;
- The adaptation will need to include the development of "second or third generation" activities concentrating on national-level activities to provide policy advice, information, training, etc., as well as the early establishment and implementation of a computerized consolidated information system on the GSP, in order to contribute to the achievement of self-reliance in this field.

75. For this purpose, adequate resources will need to be secured from UNDP and bilateral donors to finance the continuation of the programme for a perio of three years beyond 1991. The resources should be sufficient to provide a certain stability to the programme during this period.

76. Funding will be needed in particular for:

- The continuation of the interregional project in Geneva as a central focal point for the activities of the programme;
- The implementation of a computerized consolidated information system, and the regular updating of the various information aids until the system is fully operational in the field, when it will be possible to dispense with certain published information aids;
- The development of the various additional modules of the course material;
- The organization of national-level activities (advisory missions, national seminars and wo shops) in the various regions as the core activities of the programme;

- The organization of seminars for subregions or for particular groupings in the various regions having regard, inter alia, to the need to achieve linguistic balance in the coverage of the activities in Africa, and, as necessary, regional events; and

- Regional projects, as appropriate.

77. In order to maintain the present level of programme delivery, necessitated by the continuing demand and many unfulfilled requests (51 to date), a funding level of the order of $750,000 per year, i.e. the annual average over the last six years, will be necessary for the period 1992-1994. This will enable the programme to organize, or to provide programme or sectoral-level support for, national-level activities (15-18 national seminars/workshops per year) and to a more limited extent also subregional or regional activities (up to three regional/subregional seminars per year), with priority to be given to national-level activities. In this regard, particular attention may be given to providing assistance for the formulation and implementation of nationally executed projects, financed by national IPFs, focusing on the GSP and other preferences or incorporating them as part of a larger trade policy project. The Indonesian national GSP project has been acknowledged to be cost-effective, and other developing countries may wish to review their need for such projects in order to enhance their utilization of the GSP and other preferences.

78. In view of UNDP's objectives for the next programming cycle, including the shift to national project execution, combined with programme and sectoral level support by agencies, the bulk of the resources required will probably have to come from bilateral sources. Given the programme's usefulness and its popularity among donors, it is hoped that the necessary resources will be forthcoming.

79. Towards the end of the three-year period, a further assessment should be carried out in order to evaluate the results of the programme in relation to objectives and costs, with particular reference to the achievement of self-reliance, and to make recommendations, including concerning its relationship with other related programmes of technical co-operation activities in UNCTAD, including a newly established programme designed to develop human resources in the field of foreign trade (TRAINFORTRADE). Meanwhile, the specificity of the programme should be retained, having regard especially to the new instruments and modalities that are needed, as well as the practical problems and the particular complexities of the GSP that need to be addressed.

ANNEX

Table 1

Financing of UNCTAD's GSP programme of technical assistance

(US dollars)

	1985	1986	1987	1988	1989	1990	TOTAL
Central trust fund contributions	48,754	169,193	90,000	137,044	97,210	103,363	645,564
Contributions for specific purposes							
Cash	NA	85,533	216,502	189,824	425,383	324,311	1,241,553
In kind	163,681	90,486	120,437	88,869	271,428	93,730	828,631
UNDP	53,487	108,801	383,290	203,200	522,300	500,000	1,771,078
	265,922	454,013	810,229	618,937	1,316,321	1,021,404	4,486,826

Table 2 Bilateral donors' contributions to the GSP programme of technical assistance 1985-1990 (US dollars)

YEAR	1985			1986			1987			1988			1989			1990			TOTAL
	In-kind	Trust Funds		In-kind	Trust Funds		In-kind	Trust Funds		In-kind	Trust Funds		In-kind	Trust Funds		In-kind	Trust Funds		
COUNTRY	contribu-tions	Specific purposes	Central	contribu-tions	Specific purposes	Central	contribu-tions	Specific purposes	Central	contribu-tions	Specific purposes	Central	contribu-tions	Specific purposes	Central	contribu-tions	Specific purposes	Central	
Argentina							750												750
Australia	4,644			4,852			3,388			6,198			13,425			5,700			38,207
Austria	7,810			9,536		10,000	14,794				53,364		5,000			2,066			102,730
Canada	14,829			6,306			16,847			8,660		30,744	26,110			21,700			124,196
People's Republic of China						10,000						20,000						10,000	40,000
Colombia				4,050															4,050
EEC	34,852			17,510	16,616		18,535			17,901			9,730			23,811			138,311
Finland				6,105						14,241	13,056								32,001
Germany	1,567							150,111		750	122,005								276,121
Hungary																2,400			2,400
Italy													116,272				127,900		244,172
Japan	47,469					47,000	3,000			3,750			3,030	172,282		10,040	144,411		432,067
Netherlands						20,000							1,750						21,750
New Zealand	10,117			11,071			10,430						750			2,700			34,070
Norway				3,007		40,000			50,000			12,300			7,210			23,363	135,880
Philippines	1,175																		1,175
Poland																2,400			2,400
Saudi Arabia						10,000													10,000
Singapore										750									750
Sweden	3,870			5,250		22,193	4,444		40,000	14,003		40,000	47,750	157,096	40,000			40,000	425,331
Switzerland	21,071			3,010	43,000		10,724	13,000		6,200		25,000	5,225	52,000	50,000	1,500	52,000	30,000	313,030
Thailand	1,567						750												2,317
United Kingdom										1,650									1,650
USA	11,029			10,105	25,017		25,317	52,503		13,070			30,031	44,000		22,144			206,209
ITC	3,525			3,000			300						2,747						9,572
TOTAL (source of funding)	163,681		48,754	90,466	85,533	160,193	120,437	215,582	90,000	88,661	188,424	137,044	271,420	425,383	97,210	83,730	324,311	103,363	
TOTAL (per year)	212,435			345,212			425,519			415,737			794,021			521,404			2,715,748

Table 3

Distribution of GSP technical assistance activities by region

(1985-1990)

REGION	AFRICA			ASIA AND PACIFIC			LATIN AMERICA			EUROPE
YEAR	National seminars	Regional seminars	Advisory missions	National seminars	Regional seminars	Advisory missions	National seminars	Regional seminars	Advisory missions	National seminars
1985	-	-	-	4	3	-	-	1	-	-
1986	1	2	1	5	-	1	5	1	1	-
1987	1	1	2	8	3	2	4	2	2	-
1988	1	1	1	7	2	3	2	1	-	-
1989	12	4	4	12	-	-	3	2	4	-
1990	3	-	2	10	1	5	5	1	-	2
TOTAL	18	8	10	47	9	11	19	8	7	2

Table 4

UNDP/UNCTAD technical assistance programme for GSP

Project	Title	Duration	Budget ('000)	Source	Status	Monitoring/Evaluation
INT/71/027	Training and Advisory Services on GSP (Stage I)	1972-1977	1,500.0	UNDP/IPF	Completed	Terminal report 1977 + Thematic evaluation 1986
INT/77/002	Assistance to developing countries for the fuller utilization of GSP (Stage II)	1977-1984	1,250.0	UNDP/IPF	Completed	General report 1984 + Thematic evaluation 1986
RAS/78/037	Asian Programme	1979-1984	600.0	UNDP/RBAP	Completed	Thematic evaluation 1986
RAS/82/A03	Japanese Associate Expert	1982-1990	445.4	Japan	Ongoing	
RAS/84/023	TC on GSP and other trade laws (Asia and the Pacific)	1985-1989	512.3	UNDP/IPF	Completed	Tripartite review, May 1989
INT/84/A01	UNCTAD technical assistance programme on the GSP & on other trade laws and regulations directly affecting exports of developing countries	1984-1990	1,390.0	Multi-donors Trust Fund	Ongoing	
INS/86/007	Optimum utilization of rules of origin and other customs procedures related to GSP (Indonesia)	1986-1991	total 397.1	UNDP/IPF	Ongoing	Tripartite review, November 1987 Terminal report 1989
RAF/86/057	African regional project on the GSP	1987-1990	392.3	UNDP/IPF	Ongoing, extended until end 1991	Tripartite review, November 1989 Evaluation 1990
RLA/88/019	UNDP/UNCTAD regional project for Latin America and the Caribbean on GSP and other trade laws	1988-1990	100.0	UNDP/IPF	Completed	Individual country reports only
RAS/89/028	The GSP: Training & studies (Asia and the Pacific)	1989-1991	692.3	UNDP/IPF	Ongoing, extended until end 1991	Tripartite review, August 1990
INT/89/057	Support to the GSP	1989-1990	210.0	Japan	Ongoing	
INT/88/A04	Revision of GSP handbooks	1988-1989	53.4	Austria	Completed	
INT/88/A06	Associate Experts - GSP (2)	1988-	220.1	Italy	Ongoing	